

ESCROW ADVISORY COMMITTEE MEETING
September 15, 2015

Department of Business Oversight Represented By:

Richard Malme, Special Administrator
Kathleen Partin, Deputy Commissioner
Beatriz Orellana, Executive Secretary

Committee Members Present:

Jennifer Woodard, Oak Escrow Inc., Chairperson EAFC* (Via Phone)
Nancy Silberberg, Altus Escrow Inc., Chairperson EIC**
Paula Franks, Advantage One Escrow, Inc. – Past Chairperson EIC** (Via Phone)
Jeff Behm, Behm and Company, An Accountancy Corp. - CPA
Steven Garcia, Garcia Legal - A Professional Corporation
Leslie Sapone, Traditional Escrow, Inc. – Medium Sized Company (Via Phone)
Heidi Birenbaum Cassel, FNF Escrow Holdings - Other Business Ownership (Via Phone)
Michael Culver, Elance Escrow Corporation – Business Specialization
Ginger Frankel, Mara Escrow Inc., Vice Chairperson EAFC* (Via Phone)
Dave Brooks, Seright Escrow - Small Business

Committee Members Elect:

Jennifer Felten, Attorney - RELAW APC
Juliana Tu, Business Specialization - Viva Escrow!
Laura Ghosn, Medium Sized Company - Pickford Escrow Company, Inc.

*EAFC – Escrow Agents' Fidelity Corporation

**EIC – Escrow Institute of California

1. Opening Remarks

Richard Malme opened the meeting by thanking everyone for coming. He introduced guest Kathleen Partin and welcomed the three newly appointed Escrow Advisory Committee (EAC) members, Jennifer Felten, Laura Ghosn and Juliana Tu. He also acknowledged retiring members, Steven Garcia, Leslie Sapone and Michael Culver for their continued support.

2. Review and Approval of the Minutes of Last Meeting

Richard Malme asked if he could have a motion to approve the minutes of June 16, 2015. Nancy Silberberg pointed out a couple of corrections related to items 5 and 7 and Steve Garcia's firm name was corrected. Corrections were noted by Richard. Dave Brooks then made a motion to have the minutes approved and Nancy Silberberg seconded the motion; the minutes were approved.

3. Rulemaking Update: Proposed Revisions to Section 1741.5

a. Status of public comment process and committee input

Richard discussed the DBO progress toward the use of the Agreed Upon Procedures Engagement. Legal has finished their review of the proposed amendment to the audit instructions. It has been released for public comments. The public comment period is open through October 12, 2015.

b. Proposed adoption of required forms into the regulation

Richard provided an update on the process to include DBO forms in the rules.

4. Topics for Discussion

c. Clarification of notary fee disclosure

Nancy Silberberg requested clarification on how to disclose notary/signing fees under TRID. Richard stated that notary charges need to be itemized and the consumer has to acknowledge and approve the charges.

5. New Business

a. Update to the Assessment project

Richard discussed the status for updating the annual assessment methodology. Richard explained that the current assessment does not cover operating budget and cost of the Escrow Program and needs to be increased. The Department and the industry work group will collaborate to ensure that the new assessment is uniform and fair for the industry.

b. Operation of out-of-state locations (1730.1CCR)

Question was asked whether a company with a main office in CA can have an out-of-state escrow location and not be licensed by that state. Kathleen Partin stated that it's not permissible for licensees to operate locations in other states under their licensed California corporations.

6. Enforcement Actions and licensing update

Richard distributed the handout showing the latest administrative actions and licensing statistics. There were 13 Enforcement Actions involving 10 companies listed on the handout. Some were ongoing actions.

Currently, there are 19 new main pending applications, 20 new branch applications, and about 15 change of ownership applications.

Nancy Silberberg requested for Department's list of individuals that have been censured, suspended or barred to be updated on DBO website.

7. Public Comments

Jennifer Felten commented that manager approvals are not being processed timely by Department. Richard stated that manager approvals are sometimes delayed because Department has to wait for responses from former employers. Jennifer Felten suggested the Department remind applicants to follow-up with their former employers in getting the required employment verifications.

8. Recognition of retiring committee members

Richard thanked retiring EAC committee members, Steve Garcia, Michael Culver, & Leslie Sapone for their service and presented them with certificates of recognition from the Commissioner. Leslie Sapone's certificate will be mailed since she was not present.

9. Closing Remarks

Richard thanked everyone for coming.

The meeting adjourned at 11:40 a.m. The next meeting is tentatively scheduled for Tuesday, December 8, 2015.